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The following report on the development and problems of the farm cooperative movement was delivered by Mijalko Todorovic, Minister of Agriculture, at the first united conference of cooperatives on 1 March 1949.

The Yugoslav agricultural economy is improving, but at a much slower rate than industry. Total area sown last year equaled the prewar level and the yield per hectare equaled the prewar 10-year average. Thus, total agricultural production reached the prewar level as did animal husbandry. The policy of the Party and government has been to extend aid to working peasants in the development of their farmsteads by means of progressive taxation, purchasing systems, and price policies; and in the form of farm implements and machinery, seeds, and protection for animals and plants. The government has prohibited turnover in land, has limited the activities of capitalistic elements in the countryside, has eliminated the capitalistic middleman in the exchange of products between the city and the country, and has effected the union of cooperative and state commerce. While this has improved the living conditions of the working peasants, it has not relieved them of poverty since the small, isolated farm cannot cope with the situation.

Thus, while industry makes rapid strides forward, agricultural development lags far behind, and there is danger that this backwardness may eventually hinder further industrial expansion.

The only way out is to create large farmsteads, equipped with modern machinery, in place of dwarf farms. Creation of large socialized farms must keep pace with development of socialized industry.

Yugoslav state farms and farm-workers' cooperatives are just such large socialized farms. The program of the Party is to amalgamate the dwarf, backward farms into farm-workers' cooperatives, to equip these cooperatives with machines and other facilities, and to provide the service of specialists, agronomists, veterinaries, etc.

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[NOTE: Question marks indicate that figures in the original were almost illegible and may not be correct.]

Farm-workers' cooperatives are the highest form of cooperative organization. There are already 1,680 cooperatives of this type. The number grows daily, but the majority of the peasants have not yet reached sufficient maturity to join the farm-workers' cooperatives directly. The agricultural cooperative of the general type is the most convenient form for the mass education of peasants, and for their preparation for membership in farm-workers' cooperatives.

As of 12 December 1948, there were about 8,662 <sup>[1]</sup> general agricultural cooperatives, approximately one for each commune. These have over 3 million members and over 2,300,000 farms--practically all the peasant farms in Yugoslavia. The general agricultural cooperatives are not a permanent institution which may be expected to last over a period of years. Their primary function is the mass preparation of peasants for membership in the farm-workers' cooperative. Their development is to be encouraged so that the transition may be effected as speedily as possible.

During the past year, all the agricultural cooperatives have made the change over from the purchasing-selling type to the cooperative of the general type. They have made progress in organization, production, and cooperative ownership. As of 31 December 1948, they owned 263,038 hectares of land including 119,830 hectares of arable land, 5,230 head of cattle and horses, 11,455 head of sheep and hogs, 721 tractors and threshing machines, and 23,033 minor machines and implements, not counting the small farm implements.

In the organization of general agricultural cooperatives, the cooperative farms represent the most advanced socialist element in general agricultural cooperatives, and facilitate the battle against capitalist elements. Part of the income of the farm is retained for expansion of production, and the rest is divided among members of the cooperative in proportion to the man-days of work contributed by each.

The larger farms should set aside for industrial products part of the fund obtained from the sale of their produce. They should be model farms for their area, since farmers who retain ownership of individual farms will regard the cooperative farm as their own secondary property. It is most important that agricultural cooperatives of the general type accumulate property in the form of facilities for agricultural production and organize work on the basis of these facilities.

According to inexact data, agricultural cooperatives during the past year activated 145 dairies, 57 fruit-processing plants, 136 mills, 68 bakeries, 19 electric power stations, 165 <sup>[1]</sup> brickkilns, 268 forges, 78 wheelwright's workshops, 650 other workshops, 200 auxiliary workshops of various kinds, 490 cooperative farm-machine stations. etc.

For the past year, farm-workers' cooperatives compare favorably with individual farms with respect to yield per hectare.

The following yields per hectare are in metric quintals:

	<u>Individual Farms</u>	<u>Farm-Workers' Cooperatives</u>
Wheat	15.6	15.42
Corn	17.5	23
Barley	12.1	17.23
Oats	11.3	15.1
Potatoes	73	117
Sugar beets	167.7	234

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Whereas the number of families belonging to farm-workers' cooperatives increased only 14.8 percent during the first 4 months of 1948, productive resources owned by cooperatives during the same period increased as follows (in percent):

Arable land	19.1
Plows	22.4
Wagons	64.5
Tractors	39.3
Threshing machines	70.2
Horses	11.3
Oxen	29.4
Pigs	71.8
Sheep	40.4

From 1 May 1948 to 1 November 1948, resources of farm-workers' cooperatives increased as follows (in percent):

Arable land	14.2
Horses	65
Oxen	62
Sheep	27.4
Pigs	104.5

There are four types of farm-workers' cooperatives, the fundamental difference consisting of the degree in which vestiges of capitalistic features are retained. Only the fourth and highest type is purely socialistic, being based on joint ownership of productive resources and joint labor, whereby members are paid in proportion to the work contributed, while the surplus is used for further accumulation of productive resources and for cultural, social, and other funds.

In farm-workers' cooperatives of a lower type, the means of production are also owned by the cooperative and work is contributed jointly, but members receive remuneration not only in proportion to their work but also receive rent and interest on the basis of resources contributed. Thus, part of the cooperative's surplus is used for further accumulation of property and for social funds, while part is used in conformity with capitalistic methods. As the cooperative develops and continues to acquire property, the share of surplus going to capitalistic factors gradually diminishes, and the cooperative approaches the highest and purely socialistic form.

Formation of cooperatives of the lower type must be encouraged to induce the peasants to join en masse. The evolution of cooperatives from a lower form to a higher must be hastened by: (1) use of cooperative funds and state credits for the continuous acquisition of property by the cooperative, purchase and breeding of livestock, and erection of farm buildings; (2) gradual decrease in the amount of rent paid on the basis of resolutions passed at general meetings.

Management of large-scale farming, as represented by cooperatives, is impossible without proper planning in the allocation of resources, and without proper organization of work. Experience has shown that the only efficient system of work organization is one in which work brigades are employed but with individual responsibility and the establishment of norms wherever feasible. Each group should be made responsible for a specific section of land and for certain implements and draft animals.

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A plan for investments and credits for cooperatives has been worked out according to the recommendations of the Central Committee of the Communist Party of Yugoslavia. Credits amount to 3 billion dinars. Allotments have been made of all the necessary construction material, exclusive of products produced by the cooperatives themselves, in the following amounts: 100,000 tons of cement, 200 tons of reinforced concrete, 130,000 cubic meters of timber, nearly 230 million 1/2 bricks, nearly 50 million roofing tiles, 70,000 square meters of glass, 144 tons of nails, etc. This material will be delivered to cooperatives during March.

Credit, investment goods, and industrial consumers' goods will be made available to cooperatives in accordance with the following principles:

1. As a component of the socialized sector, the farm-workers' cooperative must be developed according to plan like any other socialized enterprise. Therefore, as in the case of state enterprises, it must be supplied with materials and credits in accordance with the over-all state plan.

2. Since members of the cooperative are workers in the socialized sector just like workers in socialized industry, they are entitled to the products of industry--textiles, household goods, etc. The more work they contribute to the cooperative and the more the cooperative produces, the more products of industry are supplied to the cooperative and the better the terms.

The property of the cooperative in the form of buildings, machinery, livestock, and working capital should increase each year. In addition, stores of seed and fodder should be built up gradually to provide for unforeseen emergencies.

A social security fund and a fund for cultural development must be built up.

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